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30 November 1954

BACKGROUND INFORMATION RELATING TO  
EIC ACTION TO IMPROVE COORDINATION OF PRIORITY ECONOMIC INTELLIGENCE  
COLLECTION REQUIREMENTS

1. The EIC Terms of Reference (EIC-D-22/1, 29 May 1951) include the statement that the EIC, among other things, shall:

(3,d) "Review and report to the IAC from time to time, on the pertinence, extent, and quality of the data and analyses available, bearing on the issues analyzed.

(3,e) "Recommend to the IAC, for appropriate action, priorities and allocation of responsibilities for the collection and analysis to fill specific gaps in the economic intelligence needed for national security.

(3,f) "Maintain a continuing review of the foreign economic intelligence activities of the United States Government as they relate to the national security."

2. Under this general responsibility the EIC Subcommittee on Requirements and Facilities for Collation was instructed in its Terms of Reference (21 September 1951) to:

(4,a) "Formulate on a continuing basis priority requirements for the collection of economic information (including publications and statistics);

(4,b) "Recommend appropriate sources and collection action to fill such requirements."

3. Reports and minutes of the Subcommittee on Requirements and Facilities for Collation have made frequent reference to the actions which this subcommittee anticipated in support of collection efforts. For example, the Semi-Annual Report of the Subcommittee, dated 23 January 1953, included the following statements:

"The Subcommittee will in the future continue to devote its efforts to the accomplishment of its three primary objectives:

"1. . . . .

"2. To develop appropriate measures for augmenting, coordinating, and guiding collection activities;

"3. . . . .

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"It is the intention of the Subcommittee to analyze requirements statements emanating from the other Subcommittees with a view to making\* appropriate allocation of collection responsibility in accordance with the capabilities of the several collectors.

.....  
"The Subcommittee will consider the need to study the adequacy of services rendered by the several collection and processing activities of the IAC.

.....  
"The Subcommittee recognizes its continuing responsibility to develop on an inter-agency basis, as appropriate, new sources of foreign economic intelligence information."

4. The Annual Progress Report of the Subcommittee on Requirements and Facilities for Collation, dated 30 June 1953, contained a full analysis of the nature of the action which the subcommittee felt it should undertake on priority collection requirements. This laid particular stress on the problem of interagency coordination in implementing the collection of requirements (see attached extract, Annex A).

5. The Priority Program for EIC Subcommittees (which was dated 20 July 1953) assigned as the first concern of all subcommittees the preparation of surveys of priority research and collection deficiencies in intelligence on the Soviet Bloc. But until last summer, EIC's activities in coordinating collection were largely related to the coordination of requirements through certain special channels (such as those through the State Department [redacted]), and had not included a systematic consideration of collection gaps by areas of analysis. Prior attention of the substantive subcommittees was given to research deficiencies, and the first survey of collection deficiencies by special areas of analysis was approved by the EIC and transmitted to the Subcommittee on Requirements and Facilities for Collation only on 20 April 1954. The following extract is from the minutes of that meeting:

25X1X4

"Proposed Procedure for Handling EIC Priority Collection Requirements and EIC-S-16/6(a), 'Priority Deficiencies of Collection on USSR Electronics and Telecommunications Equipment Production'

"10. Action: This survey was approved and the EIC agreed to pass the survey to the Subcommittee on Requirements and Facilities for Collation for preparation of a collection plan. It was the sense of the meeting that this procedure would be adopted on an experimental basis and that the collection plan would be submitted to the EIC for review and approval prior to implementation."

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\* Obviously the subcommittee means to say that they would "recommend" appropriate allocations.

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6. The EIC Subcommittee on Requirements and Facilities for Collation raised a number of problems as to what was expected from them under the term "preparation of a collection plan." The EIC Secretariat emphasized that use of the words "collection plan" was clearly not intended in the technical sense in which the term is sometimes used within collection circles - but that the EIC discussion of 20 April 1954 envisaged simply that the subcommittee should seek to devise a "plan" (in the layman's sense of the word) which would facilitate coordinated collection action to improve the actual results of collection efforts directed to these EIC-priority items.

a. The subcommittee met several times with the Vice Chairman and Executive Secretary of the EIC to try to work out a specific procedure for coordinated action on the survey. A number of proposals were explored but found objectionable by representatives of one or more agencies.

b. At the end of four months the subcommittee transmitted the following statement to the Executive Secretary of the EIC (memo of 16 September 1954):

"At its regular meeting of 25 August 1954, the EIC Subcommittee on Requirements and Facilities for Collation passed the following motion:

"That it be recommended that the EIC forward the paper EIC-S-16/6(a) minus columns 4 and 5 to each of its members, pointing out that it is an EIC statement outlining the priority collection deficiencies in USSR Telecommunications and Electronics Equipment Production and that use of this document is intended to be in accord with established national priorities and individual agency priorities."

7. The Vice Chairman and Executive Secretary of the EIC consider that this action does not adequately discharge the responsibilities of the subcommittee, because:

a. It amounts only to a noncommittal transmission of the EIC statement of priority collection requirements - for whatever action the individual agencies may (or may not) choose to take.

b. There is no provision for coordinating any implementing actions among the collection channels of the various agencies.

c. There is no provision for reporting back as to the status of collection efforts being undertaken - either to the Subcommittee on Requirements and Facilities for Collation, to the substantive subcommittee which prepared the requirements, or to the EIC, itself.

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d. It therefore does not review what "action priorities and allocation of responsibilities for collection" may be "appropriate" (see paragraph 3, e of the EIC Terms of Reference, noted above).

8. The Vice Chairman and Executive Secretary of the EIC propose, alternatively, that the EIC instruct the members of its Subcommittee on Requirements and Facilities for Collation to take the following specific actions on surveys of priority collection deficiencies approved and referred to them by the EIC:

a. Either themselves (to the extent that they are individually representatives of the collection activities of their agencies), or in consultation with associates (who are representatives of the collection activities of their agencies):

(1) Review collectively the detailed listings of priority collection items, and "check off" the channels which are believed to have the most useful collection potentials for giving priority attention to the collection of individual requirements.

(2) Having collectively made a judgment of the "probably most effective" channels - then as representatives of the separate agencies review the individual items referred to each agency with other members of its collection staff, responsible for the various collection channels open to that agency. This involves considering two questions: First, is each requirement already covered by each of the proposed channels, with such priority as is consistent with the expressed priority interest of the economic intelligence community? Second, for any item not so covered in all appropriate channels - or covered only with low priority - does the agency see its way clear to include the item with a relatively higher priority?\*

b. The responses of the various agencies' channels to this checklist should be reported back to the EIC Subcommittee on Requirements and Facilities for Collation which should, in turn:

(1) Consider collectively whether the picture of coordinated collection actions being taken is satisfactory, or whether further representations should be made to any particular agency to encourage it to give higher priority to the use of any of its channels for any particular item or items.

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\* It is considered desirable, in most cases, that collection channels and field collection offices to which EIC priority collection requirements are assigned be informed that the requirement is an "EIC-approved priority collection requirement" - perhaps by transmission of copies of the EIC-approved survey, itself.

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(2) Notify the EIC (with a copy to the substantive subcommittee originally preparing the collection deficiency survey in question) of the over-all picture of community actions being taken to implement collection of the items listed on the survey, and propose any additional action, or recommendations to the IAC, which the EIC might wish to consider as a means of further improving the community's collection efforts in support of priority EIC requirements.

Attachment - Appendix A

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